GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:3208
ANSWERED ON:05.12.2016
Non-Contribution to PF Accounts
Chudasama Shri Rajeshbhai Naranbhai;Somaiya Dr. Kirit

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government is aware that some establishments/companies have not submitted/deposited the funds collected by them towards employees contribution in the provident fund accounts, if so, the details thereof;
(b)whether the Government has received complaints from various quarters including people"s representatives in this regard;
(c)if so, the details thereof and the action taken by the Government against such PF defaulters during the last three years and the current year, State/UT-wise; and
(d)the corrective steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE(IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) to (c): Complaints regarding employees' contribution deducted but not deposited by establishments/companies are received in field offices of Employees' Provident Fund Organization (EPFO) and some references are also received from people's representatives. One recent reference has been received from Hon'ble Member of Parliament, Dr. Kirit Somaiya regarding Rotex Textiles, Thane. If the complaints are found to be true then action is taken against the establishment. First Information Report (FIR) under sections 406/409 of Indian Penal Code (IPC) for breach of trust is filed against such employers. The State-wise details for the last three years and the current year (upto October, 2016) of FIRs filed under section 406/409 of IPC against employers who had deducted but not deposited employees' contribution is at Annex-I. UT-wise details are not maintained by EPFO.

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(d): The following actions have been taken by EPFO against the defaulting establishments to protect the interest of workers covered under the Employees' Provident Funds & Miscellaneous Provisions (EPF&MP) Act, 1952 :
(i) Action under section 7A of EPF & MP Act, 1952 against the defaulting establishments for assessment of dues.

(ii) Action under Section 14B of the Act for levying of damages for belated deposit of dues.

(iii) Action under Section 7Q of the Act for levy of interest for belated remittances.

(iv) Recovery actions as provided under Section 8B to 8G of the Act.

(v) Action under section 14 of the Act for filing prosecution against the defaulters before the competent court of law.

(vi) Action under section 406/409 of Indian Penal Code (IPC) against the employer for non-payment of employees' share of contribution deducted from the wages/salary of the employees but not deposited in the Fund.

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